



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

SEP 25 2018

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Walters, General Manager
J.B. Sims Generating Station
Grand Haven Board of Light & Power
1231 North Third Street
Grand Haven, Michigan 49417

Re: Finding of Violation
Grand Haven Board of Light & Power – J.B. Sims Generating Station
Grand Haven, Michigan

Dear Mr. Walters:

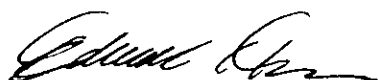
The U.S. Environmental Protection Agency is issuing the enclosed Finding of Violation (FOV) to Grand Haven Board of Light & Power (you) under Section 113(a)(3) of the Clean Air Act, 42 U.S.C. § 7413(a)(3). We find that you have violated the National Emission Standards for Hazardous Air Pollutants at the J.B. Sims Generating Station located in Grand Haven, Michigan. Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the FOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contact in this matter is Eleanor Kane. You may contact her at (312) 353-4840 or kane.eleanor@epa.gov to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward Nam", written in a cursive style.

Edward Nam
Director
Air and Radiation Division

Enclosure

cc: Paul Cederquist, Environmental Compliance Specialist, Grand Haven Board of Light & Power
Heidi Hollenbach, District Supervisor, Michigan Department of Environmental Quality
Jenine Camilleri, Enforcement Unit Supervisor, Air Quality Division, Michigan Department of Environmental Quality

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:

Grand Haven Board of Light & Power

J.B. Sims Generating Station

Grand Haven, Michigan

Proceedings Pursuant to

Section 113(a)(3) of the

Clean Air Act,

42 U.S.C. § 7413(a)(3).

FINDING OF VIOLATION

EPA-5-18-MI-12

FINDING OF VIOLATION

The U.S. Environmental Protection Agency (EPA) is issuing this Finding of Violation (FOV) in accordance with Section 113(a)(3) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(3). The authority to issue this FOV has been delegated to the Regional Administrator of the EPA, Region 5, and re-delegated to the Director of the Air and Radiation Division.

EPA finds that Grand Haven Board of Light & Power (GHBLP or you) has violated Section 112 of the CAA, 42 U.S.C. § 7412. Specifically, GHBLP has violated the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Coal- and Oil-Fired Electric Utility Steam Generating Units at 40 C.F.R. Part 63, Subpart UUUUU, at the J.B. Sims Generating Station (the Facility), located in Grand Haven, Michigan, as follows:

Regulatory Authority

1. Pursuant to Section 112(d) of the CAA, EPA is required to promulgate regulations establishing emission standards, known as the National Emissions Standards for Hazardous Air Pollutants (NESHAP), for hazardous air pollutants listed for regulation. 40 C.F.R. § 112(d).
2. 40 C.F.R. Part 63, Subpart A, contains the General Provisions for the NESHAP.
3. Section 112(i)(3) of the CAA, 42 U.S.C. § 7412(i)(3), prohibits any person subject to a NESHAP from operating a source in violation of a NESHAP after its effective date. *See also* 40 C.F.R. §§ 61.05, 63.4.
4. Section 112(n)(1)(A) of the CAA requires EPA to regulate electric utility steam generating units (EGUs) if it finds regulation is appropriate and necessary after considering the results of a study of the hazards to public health reasonably anticipated to occur as a result of emissions by EGUs of pollutants listed under Section 112(b). 42 U.S.C. § 7412(n)(1)(A).

5. Section 112(a)(8) of the CAA defines an EGU as any fossil fuel fired combustion unit of more than 25 megawatts that serves a generator that produces electricity for sale. 42 U.S.C. § 7412(a)(8).
6. Section 112(b) of the CAA identifies hydrochloric acid as a hazardous air pollutant. 42 U.S.C. § 7412(b).

NESHAP for Coal- and Oil-Fired Electric Utility Steam Generating Units

7. EPA has determined that it is appropriate and necessary to regulate coal- and oil-fired EGUs under Section 112 of the CAA. 65 Fed. Reg. 79825, 79826 (2000); *see* 77 Fed. Reg. 9307, 9311 (2012).
8. Pursuant to Section 112(d) of the CAA, EPA promulgated the NESHAP Subpart UUUUU at 40 C.F.R. Part 63, 40 C.F.R. §§ 63.9980 - 63.10042, on February 16, 2012. 77 Fed. Reg. at 9464.
9. NESHAP Subpart UUUUU applies to owners and operators of coal- and oil-fired EGUs as defined in 40 C.F.R. § 63.10042. 40 C.F.R. § 63.9981.
10. 40 C.F.R. § 63.9982(a)(1) provides in part that an affected source is “the collection of all existing coal or oil-fired electric utility steam generating units.”
11. 40 C.F.R. § 63.9982(b)-(d) provides that an affected source is existing if it commenced construction or reconstruction of the affected source on or before May 3, 2011.
12. 40 C.F.R. § 63.9984(b) states that an existing affected source must comply with the NESHAP Subpart UUUUU no later than April 16, 2015.
13. 40 C.F.R. § 63.9991(a)(1), referencing Table 2 to NESHAP Subpart UUUUU, states that an existing coal-fired unit that is not combusting low rank virgin coal must comply with a hydrogen chloride limit. Hydrogen chloride and hydrochloric acid are the same chemical compound and are referred to by the same chemical formula, HCl.
14. 40 C.F.R. § 63.10021(a) provides that owners and operators must demonstrate continuous compliance with applicable emissions limits in Tables 1 through 4 according to the monitoring specified in Tables 6 and 7 to the subpart and in paragraphs §§ 63.10021(b) through (g).
15. Table 7 of NESHAP Subpart UUUUU, Item 4, states that units that use quarterly performance testing must demonstrate continuous compliance with non-particulate matter (PM) applicable emissions limit in Table 1 or 2.
16. 40 C.F.R. § 63.10021(d) provides, among other things, that, if you use quarterly performance testing to demonstrate compliance with one or more applicable emissions limits in Table 1 or 2, owners and operators: (1) may skip performance testing in those quarters during which less than 168 boiler operating hours occur, except that a

performance test must be conducted at least once every calendar year, and (2) must conduct the performance test as defined in Table 5 to this subpart and calculate the results of the testing in units of the applicable emissions standard.

Relevant Factual Background

17. GHBLP is a "person," as that term is defined in Section 302(e) of the CAA, 42 U.S.C. § 7602(e).
18. GHBLP owns and operates a coal-fired EGU identified as "EU-UNIT-3_BLR" (Boiler #3) at 1231 North Third Street, Grand Haven, Michigan. Boiler #3 was constructed in 1983 and has a capacity of 80 megawatts (gross).
19. Boiler #3 is an existing "affected source" as that term is defined in 40 C.F.R. § 63.9982.
20. On May 31, 2016, GHBLP conducted performance testing for HCl at Boiler #3 for the second quarter of 2016. The subsequent performance test GHBLP conducted was on May 31, 2017, for the second quarter of 2017. As such GHBLP failed to conduct required quarterly performance tests for HCl at the Facility for the third and fourth quarter of 2016, and for the first quarter of 2017.
21. On May 23, 2017, MDEQ issued GHBLP a violation letter identifying violations of NESHAP Subpart UUUUU, at 40 C.F.R. §§ 63.10021(a), 63.10021(d)(1), 63.10021(d)(2), and Table 7(4).
22. On November 9, 2017, MDEQ sent EPA a letter identifying the allegations and referring the matter to EPA for enforcement. EPA has not delegated enforcement authority of NESHAP Subpart UUUUU to MDEQ.

Finding of Violations

23. By failing to conduct required quarterly HCl performance tests across three calendar quarters, GHBLP has violated 40 C.F.R. §§ 63.10021(a), 63.10021(d)(1), and 63.10021(d)(2), and Table 7(4), and Section 112(i)(3) of the CAA, 42 U.S.C. § 7412(i)(3).

Date

8/25/18



Edward Nam
Director
Air and Radiation Division

CERTIFICATE OF MAILING

I certify that I sent a Finding of Violation, No. EPA-5-18-MI-12, by Certified Mail, Return Receipt Requested, to:

Mr. David Walters, General Manager
J.B. Sims Generating Station
Grand Haven Board of Light & Power
1231 North Third Street
Grand Haven, Michigan 49417

Article # 70170530000062887514

I also certify that I sent copies of the Finding of Violation by e-mail to:

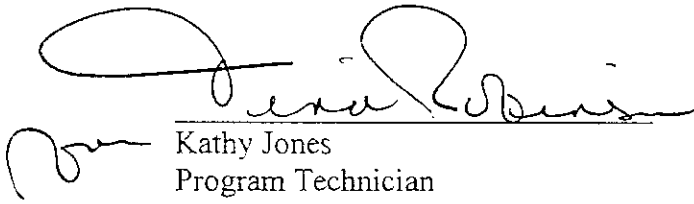
Paul Cederquist
J.B. Sims Generating Station
Grand Haven Board of Light & Power
pcederquist@ghblp.org

Jenine Camilleri
Enforcement Unit Supervisor
Air Quality Division
Michigan Department of Environmental Quality
CamilleriJ@michigan.gov

and

Heidi Hollenbach
District Supervisor
Air Quality Division
Michigan Department of Environmental Quality
hollenbachh@michigan.gov

On the 26th day of September 2018.


Kathy Jones
Program Technician
AECAB, PAS